

## **Legislative Statement: Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Bill**

This legislative statement is presented to the House of Representatives in accordance with Standing Order 272.

### **Introduction**

This legislative statement supports the first, second, and third reading of the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Bill (the Bill).

### **Overview**

The Bill amends the Social Security Act 2018 (the SSA), the Public and Community Housing Management Act 1992 (PaCHMA), and the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018. Consequential amendments are also made to the Residential Care and Disability Support Services Act 2018.

The purpose of the Bill is to:

- ensure housing contributions received from all boarders are considered when calculating entitlement to and rate of housing subsidies, which will ensure more equitable treatment of board and rent payments received
- prevent subsidisation of the same accommodation costs more than once
- ensure households who receive housing contributions from boarders are treated more equitably with households who receive payments for rent when determining the rate of housing subsidies, and/or other assistance that uses the SSA definition of income.

### **Details of content in the Bill**

To achieve its policy intent, the Bill introduces policy amendments to:

- Recognise the housing contributions (62 percent of payments) of all boarders in a person's accommodation costs (instead of just the third and subsequent boarders), when assessing their entitlement to, and rate of, Accommodation Supplement.
- Recognise housing contributions (62 percent of payments) from all additional residents in social housing (instead of just the third and subsequent additional resident(s)), by modifying the Income Related Rent calculation for social housing tenants under PaCHMA.
- Treat housing contributions from boarders and renters that exceed the total allowable accommodation costs, or the market rent applicable for the social housing property, as income for any income-tested assistance that uses the SSA definition of 'income' for the person receiving board or rent payments.
- Define 'boarder' in the SSA for the purposes of the Accommodation Supplement, and if a person is not identified as a boarder or additional resident, they will be treated as a renter (meaning that their accommodation costs are 100 percent of what they pay, instead of 62 percent).

- Change Accommodation Supplement settings, to require the Ministry of Social Development (MSD) to grant the payment, if an applicant is eligible, rather than only granting it in the exercise of discretion. This approach provides more clarity for clients, and provides flexibility to support future administrative improvements so that:
  - MSD will be required to grant an Accommodation Supplement where a person meets the eligibility criteria, unless MSD is satisfied the applicant will be entitled at a zero rate; and
  - MSD will be required to cancel a grant of Accommodation Supplement if the recipient's entitlement remains at a zero rate for eight consecutive weeks.
- Specify how the portion of the property that a person lives at, that is used for a person's business, would be excluded from accommodation costs, by clarifying that the proportion of the premises used for their business will not be considered part of their accommodation costs.
- Enable a disputes process to resolve discrepancies, should the information provided by a person paying board/rent and the board/rent recipient not match, where they do not agree on the rate of payment.